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SUBJECT: JHARKHAND POLLS HAND IN THE BALANCE

1. (SBU) SUMMARY. On February 23 India's newest state, Jharkhand, will hold the third and final round of its first State Assembly elections. Their outcome is anything but certain. Going into the elections the state-governing National Democratic Alliance (NDA), led by the Bharatiya Janata Party (BJP), appeared doomed. Its performance had fallen well below expectations and it had been soundly trounced in the national-level elections in 2004. Sensing blood, its opponent, the United Progressive Alliance (UPA) led by the Congress Party and its local allies the Jharkhand Mukti Morcha (JMM) and the Rastriya Janata Dal (RJD), began to fight over the spoils before the contest even began. As a result, the BJP has revived at least some chance of hanging on for another term and the UPA may have missed a chance to further consolidate its national position. It is a distinct possibility that there will be no clear-cut winner, meaning that independents and smaller parties could prove kismakers for Jharkhand's next state government. END SUMMARY.

IMPACT: NDA RISKS MISSING A CHANCE TO EXTEND DOMINANCE

2. (SBU) For the UPA government at the Center, having scored a dramatic sweep of all but one of Jharkhand's Lok Sabha seats in 2004, the state Assembly elections were an opportunity to deliver the BJP a decisive further blow. That may still happen, but UPA infighting and lack of unity have given the BJP and the NDA reason to hope that they may still pull out a win and reverse the tide of defeats that have seen the party appear less-and-less able to sustain credibility as a national-level power. Yashwant Sinha, former Foreign Minister and currently a Member of the Rajya Sabha, conveyed this view when he claimed: "We will surely form the government again as people do not want to create another Bihar in Jharkhand. Though the going is tough, seeing the result of the last general elections, but this assembly elections the NDA will be pleasantly surprised." Given the plethora of parties and the willingness of many of them to accept unlikely bedfellows in their search for power, the post-election horse-trading may prove more interesting than the elections themselves.

ELECTORAL BACKGROUND: A NEW STATE VOTES

3. (U) Jharkhand was established as a separate Indian state in November 2000 when 18 districts were carved out of the state of Bihar. For a number of years the tribal peoples of that region had objected to their marginalization by the Bihar state government in Patna and lobbied for the creation of a state of their own. The most prominent leader of this movement was JMM head Shibu Soren, known to his followers as "Guruji," currently a Lok Sabha member serving as Minister of Coal in the UPA government at the Center. In addition to containing most of Bihar's tribal populations, these districts also contained almost all of Bihar's substantial mineral wealth and industrial facilities. Jharkhand's tribal population is still a minority, but state politicians can no longer ignore a constituency that comprises about a third of the state's population.

4. (U) The first-ever State Assembly elections are taking place over three dates - February 3, 15 and 23. The voters will elect 81 Members of Legislative Assembly (MLAs) and the results are expected to be announced on February 27.

THE BJP-LED GOVERNMENT LOOKS VULNERABLE~

5. (U) The current NDA coalition government is headed by the BJP under the leadership of its young Chief Minister, Arjun Munda, who took over from the state's first CM, Babulal Marandi, after the latter lost the confidence of his cabinet. Going into these elections, the NDA had a governing majority of 43 (31 BJP,

8 Janata Dal-United (JDU), 4 independent/nominated) in a reduced Assembly of 73. However, on the eve of the Assembly elections, in an indication of how fickle party loyalties can be, four JDU and one Independent MLA joined the Lalu Prasad-led RJD making it the largest opposition party and raising the opposition numbers to 35 (13 RJD, 10 JMM, 8 Congress, 4 Communists/independents).

16. (U) These defections represented the latest in a series of setbacks for the NDA. The most damaging had been the April 2004 national elections in which the UPA/allies took 13 of the state's Lok Sabha seats (6 Congress, 4 JMM, 2 RJD, 1 Communist) to just one single seat for the BJP. This was a dramatic swing from the previous division of 11 BJP, 2 Congress and 1 JMM, and even prominent national BJP leaders like then-Foreign Minister Yashwant Sinha were soundly defeated.

17. (SBU) The widespread perception in Jharkhand is that the current BJP-led government has not delivered on its promises. While Jharkhand is the only state in eastern India not operating on a budget deficit, most observers suggest this is due mostly to the government's inability to utilize the resources it has available to launch development projects. Digvijay Singh, national General Secretary of the Congress Party, stressed this point when he claimed: "Here the issue is infrastructure development and Congress has been promising the voters Bijli (electricity), Sadak (Road) and Paani (Water). The NDA government has failed to provide all these in their four-year term. Things will start moving easily when we have the UPA government here too." Another ConGen contact likened Jharkhand's first government to a kindergarten, pointing out that the ministers in the current government totally lacked experience, but warning that a new government would have the same handicaps and could be even worse without the four-year learning curve of the current regime.

~BUT UPA SQUANDERS OPPORTUNITY BY INFIGHTING

18. (SBU) There is little doubt that had the Congress, JMM and RJD presented a united front in running against the NDA, they would have come out clear winners in the contest. However, sensing the weakness in the governing coalition, the three parties squabbled among themselves for the dominant position in what they assumed would be a UPA government. As a result, they have lost the certainty of victory. The Congress and JMM finally came to an agreement on seat-sharing at the cost of alienating the RJD (and angering its leader, Lalu Prasad). As a result, the RJD is running "triangular races" against Congress or JMM candidates in a number of constituencies and even the JMM and the Congress are locked in "friendly fights" in a few constituencies. The danger of this indiscipline can be demonstrated by the 1999 victory achieved by Babulal Marandi, who went on to become Jharkhand's first Chief Minister. A BJP candidate, he was elected MLA in former Bihar's Bhagalpur Constituency in 1999 with 36.87 percent of the vote, narrowly edging the JMM candidate who got 36.02 percent. However, the third place Congress candidate got 24.68 percent, and it is safe to say that had he not been in the running the JMM would have easily defeated Marandi.

19. (SBU) As damaging as the interparty conflict has been, the front-running JMM is also battling serious internal problems. Shibu Soren has made little secret of the fact that he would rather be Chief Minister in Jharkhand than Coal Minister in New Delhi. Sensing a rival in his longtime deputy Stephen Marandi, he arranged for Marandi to be elected to the Rajya Sabha and gave his son, Hemant Soren, the ticket for Marandi's traditional Jharkhand constituency. Marandi has made his sense of betrayal public and has responded by contesting as an independent against Hemant Soren. Many of Shibu Soren's long-time supporters have expressed dismay at this treatment of his old friend and ally and at the apparent nepotism shown in his selection of Hemant as a first-time candidate. (Soren's other son, Durga Soren, has a longer history in JMM politics.)

NAXALITES FAIL TO SPOIL THE PARTY

110. (SBU) Although the revolutionary-Left Naxalites have a widespread presence in Jharkhand, and had issued a call to boycott the polls in at least seven districts, they have not had much success in derailing the elections. On the eve of the first polls they detonated a bomb that destroyed a police vehicle killing six policemen and their driver. Beyond that, they have had little impact. Journalist contacts allege that there is a nexus between the Naxalites and the politicians in as many as 30 constituencies. In the symbiotic relationship they describe, the candidates promise protection for the militants after the polls in exchange for protection from violence during the campaign.

COMMENT: AFTER THE ELECTION, THE SELECTION

11. (SBU) Had the UPA followed their name and stayed "United," their victory seemed assured. Now, given the plethora of parties, prognostication is difficult. Beyond the assurance that neither the Congress nor the RJD will join the BJP in a coalition government, most other combinations are at least possible. The JMM is currently a Congress ally, but if the BJP could offer Shibu Soren the Chief Ministership, and the Congress could not, there appears little doubt that "Guruji" would cross over to assume the crown. The multi-candidate races may also produce a larger number of victorious independents. If the election hangs in the balance, these and the smaller parties may have a disproportionate say in the formation of the new state government. For the UPA at the Center, Jharkhand was a chance to deal the BJP yet another crushing blow. Should the NDA capitalize on the UPA's infighting to steal a victory, the BJP may well claim that it is finally on the rebound. END COMMENT.

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